

C0. Introduction

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C0.1

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## **(C0.1) Give a general description and introduction to your organization.**

Mavi, incorporated in 1991 in Istanbul, is today recognized as a successful global lifestyle brand with strong denim roots. With presence in 35 countries including Turkey, USA, Canada, Germany, Russia and Australia, Mavi sells its products via 440 mono-brand stores and c. 5,500 points of sale.

The Perfect Fit philosophy guides Mavi in designing the jeans that perfectly fit the lifestyles, body types and quality expectations of its customers. With 9.7 million pairs of jeans sold in 2019, Mavi ranks among the world's leading premium denim brands. The denim category accounts for 44% of Mavi's global sales and lifestyle apparel for 56%.

Mavi runs an omni-channel model, selling its products through a directly operated retail network with stores located in major international fashion centers, as well as department stores and online retailers including Bloomingdale's, Nordstrom, Peek & Cloppenburg, Simons, Amazon, Zappos.com, Zalando.com and David Jones. In 2019, 66% of revenues came from retail, with wholesale accounting for 28.9% and e-commerce 5.1% of sales.

Mavi's global strategy, All Blue, is built on 'sustainable growth through quality' with People, Innovation, Dynamism and Nature as key values driving the brand. As a brand whose heart beats with denim, Mavi works passionately to develop the world's best and most innovative jeans while keeping its focus on 'quality' for sustainable growth. Driven by respect for people, passion for innovation, and focus on data and efficiency in operations, Mavi is synonymous with quality.

Mavi's trusted brand image translates into high quality and strong pricing power with products positioned between the upper-end of the 'core' and the 'premium' section of the ready-to-wear market. The loyalty program Kartuş, recognized as Turkey's best-in-class with 8.2 million members, serves as a key tool for Mavi to analyze and leverage customer data. With approximately 5.8 million members active in the last two years, the Kartuş program continues to acquire over 1 million new customers every year. Kartuş loyalty card is used in 82% of the retail transactions in Turkey.

Mavi has a unique brand position with fashion-savvy, young adult customers and collaborates with top local and international celebrities in its marketing communications. As a leading denim brand, Mavi shapes its communication strategies to align with its product development expertise and customer data.

With 4,086 employees globally, Mavi is recognized as an employer of choice by several rating platforms.

For more information see our Annual Report for 2019.

## **C0.2**

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	February 1 2019	January 31 2020	No	<Not Applicable>

**C0.3**

**(C0.3) Select the countries/areas for which you will be supplying data.**

Turkey

**C0.4**

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

TRY

**C0.5**

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

**C1. Governance**

**C1.1**

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

**C1.1a**

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Our CEO is responsible with assessing possible risks related to climate change and how these risks can affect social, economic and environmental performance of Mavi. He is accountable with reporting the board on sustainability issues and directing an overarching sustainability strategy. In 2019, our Chief Brand Officer and CEO announced our "All Blue" sustainability strategy where the focus is on sustainable growth with an emphasis on product quality. As a first step under "All Blue" strategy, a new sustainable collection was released. The collection includes products that contain materials with less climate impact and manufactured with more water and energy efficient technologies.

**C1.1b**

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies	<Not Applicable>	Every quarter, our CEO reports on his oversight and progress on sustainability issues that may have a significant impact on Mavi's business to the board. The board provides guidance on our sustainability strategy and corporate governance matters. Prior to board meetings, C-level officers discuss climate related issues such as product sustainability, sustainability of our stores, corporate sustainability and supplier sustainability. The CEO then proceeds to report the progress on these issues to the board. To address product sustainability, we commenced conducting product level lifecycle assessment (LCA) studies to gain awareness on the climate and environmental performance of our products. To address the sustainability of our stores, we've installed smart metering systems and we are replacing conventional lighting fixtures with more efficient LED ones. On the sustainability of our suppliers, we further increased our engagement with manufacturers to collect data necessary for conducting product level LCA studies. Finally, to address corporate sustainability, we've started disclosing our climate performance via CDP and began to prepare an overarching sustainability strategy.

**C1.2**

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

**C1.2a**

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The CEO is responsible with strategic vision of the company which includes global product and market strategy. He also oversees day to day management of the company product procurement, recruitment of senior level management, marketing direction, sales strategy and investor relations. All of these sections of Mavi's business are related with climate change and thus responsibility of managing the environmental factor for these business sections are assigned to the CEO for being the highest-level person for corporate management in the company.

**C1.3**

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	In 2019, Mavi commenced its sustainability transformation and renewed its Remuneration Policy with a view to encourage the achievement of the Company's short and long terms goals and to ensure sustainable performance. The new Remuneration Policy which allows a performance based long-term (3 year) incentive grant for executives with administrative responsibilities is still being planned.

**C1.3a**

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction project Efficiency project Efficiency target Behavior change related indicator Supply chain engagement	

**C2. Risks and opportunities**

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## C2.1

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### (C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

## C2.1a

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### (C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	6	
Long-term	6	12	

## C2.1b

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### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

Mavi defines substantive financial or strategic impacts as impacts of such magnitude that may jeopardize Mavi's existence, development and especially, continuity. At Mavi, responsibility for risk management and reporting is led by the Global Finance Department in coordination with other relevant departments. A global perspective is adopted in Corporate Risk Management activities and Mavi Risk List is created by considering all the risks that concern Mavi and its subsidiaries and affiliates. Senior management of the Company prioritized the risks in the list according to their impact and probability and completed the work required to monitor the risks with high scores through Critical Risk Indicators and action plans. The risk management reports were generated to monitor and manage the risks detected by the Corporate Risk Management System in coordination with the Internal Audit department, and the relevant risks were included in the audit plan. All audits were conducted in accordance with this plan.

The major risks that the company is exposed to are categorized under four main headings: financial risks (exchange rate, liquidity, loans, interest rates and commodity prices), reputation risks, operational and strategic risks, and legal risks. The Early Identification of Risk Committee and the Board of Directors are periodically briefed about such risks.

In 2020, we began our product level life cycle assessment studies. These studies reveal the environmental impacts associated with our products. The indicators used for assessing impacts include global warming potential (carbon footprint), eutrophication, ozone-layer depletion and photochemical oxidation. We are also using environmental impact monetization to better understand and give financial value to the environmental impacts of our products. This way, we are aware of the potential costs of our environmental externalities.

## C2.2

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**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

**Risk management process**

A specific climate-related risk management process

**Frequency of assessment**

Annually

**Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

**Description of process**

Mavi uses materiality assessments in accordance with AA1000 Stakeholder Engagement Standard. These analyses involve obtaining the opinions of various internal and external stakeholders including Mavi employees and franchisees, analysts, investors, financial institutions, business partners and suppliers. The external trends include the global risks published by the World Economic Forum, the industry-specific material issues prepared by the Sustainability Accounting Standards Board (SASB) and Sustainable Development Goals. The Company's strategy and goals were ascertained through one-to-one meetings with senior management. SASB's impact analysis methodology, which enables addressing each issue in terms of different effects and opportunities, were used in the process. As a result of these assessments, the issues were categorized into medium, high and very high priority. In 2019, "Climate change and energy" had a "very high priority" classification.

**Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

**Risk management process**

A specific climate-related risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

**Description of process**

Mavi has established an internal continuous life cycle assessment procedure to reveal the environmental risks associated with its products. Currently, jeans are the focus group of this procedure. The process began with assessing most used fabrics and bestseller products. Our aim is to have an environmental impact profile for all of our products. The results of life cycle assessment studies reveal climate related risks associated with raw materials, manufacturing, transport, packaging, use and end-of-life stages of our products. With the results, Mavi can choose to eliminate high impact materials, processes and manufacturers. We have prepared our first GHG inventory and we are planning to update it annually.

**C2.2a**

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Mavi monitors and complies with all regulation it is subject to. In Turkey, there is a greenhouse gas monitoring regulation in place since 2014. However, Mavi does not participate in any business activity that is subject to this regulation. Mavi's business does not involve any energy intensive processes. Regulation risks are assessed as a part of our Corporate Risk Management activities.
Emerging regulation	Relevant, always included	Emerging regulations related to climate change and their associated risks can directly affect our costs and the way we do business throughout the markets we operate. We are always monitoring upcoming regulations and comply with them accordingly. We are especially observing "European Green Deal", which was first presented in December 2019, and its "Carbon Border Adjustment Mechanism" since it can directly influence our European sales performance. Regulation risks are assessed as a part of our Corporate Risk Management activities.
Technology	Relevant, always included	We are always monitoring innovations in our field of business. Our suppliers, especially denim fabric and blue jeans manufacturers that we work with provides us with industry leading technologies. Mavi collaborates with denim fabric manufacturers for product developments and innovations. Mavi's innovation-based premium products in the denim sector is a major reason that elevates Mavi to the top segment of the international jeans market. Technology risks are assessed as a part of our Corporate Risk Management activities.
Legal	Relevant, always included	Mavi is monitoring legal requirements related to climate change in the markets where Mavi conducts its business. We have not been affected by any legal litigations related to climate change. Legal risks are assessed as a part of our Corporate Risk Management activities.
Market	Relevant, always included	Our customers' awareness on climate change is increasing day by day. As Mavi, we are closely following market risks associated with climate change and as a first measure to answer it, we released our first sustainable collection "All Blue". Our competition is very active in communicating their sustainability efforts. Thus, Mavi has been increasing its frequency of product development and marketing efforts to stay ahead of its competition. The fabrics that constitutes our products are made from cotton, synthetic fibers and wool. All these materials' production cycles can be affected by climate change which can influence our costs and thus our market positioning. Market risks are assessed as a part of our Corporate Risk Management activities.
Reputation	Relevant, always included	Mavi is a leading love brand in Turkey. Our customers' trust and perception have the utmost importance to us and it defines the way we do our business. Our materiality assessment revealed that climate change is a "very high priority" among our stakeholders. Failing to prove our commitment to fighting climate change could result in negative publicity and threaten our brand positioning. Mavi's utmost priority is to gain new customers, coming mainly from the younger generations. To stay relevant with our young customer base, Mavi shall continue to develop and communicate our climate efforts and our new sustainable product categories. Reputation risks are assessed as a part of our Corporate Risk Management activities.
Acute physical	Relevant, always included	Climate related acute physical risk is relevant to Mavi's business. Climate change alters characteristics of atmosphere and can cause previously unseen extreme weather events. In recent years, Turkey has experienced such weather events in the form of hail and heavy rain. Many farmers lost their crops due to these events. Mavi can face disturbance in its supply chain if an extreme weather event disables a key supplier. Acute physical risks are assessed as a part of our Corporate Risk Management activities.
Chronic physical	Relevant, always included	Atmospheric alterations caused by climate change can drastically effect agriculture through water supply in Turkey. OECD considers Turkey within the countries that have a future agricultural water risk. Our products and supply chain rely on agricultural products. Chronic changes in agricultural environment can drastically change our supply chain and costs. Chronic physical risks are assessed as a part of our Corporate Risk Management activities.

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

### C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Upstream

**Risk type & Primary climate-related risk driver**

Chronic physical	Rising mean temperatures
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**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

As a global lifestyle brand with strong denim roots Mavi's product portfolio is largely dependent on commodities and materials that are affected by climate change. More than 90% of Mavi's revenue came from textile products. OECD considers Turkey within the countries that have a future agricultural water risk. At Mavi nearly 80% of the entire collection are sourced locally from Turkey. Rising mean temperatures could exacerbate the water availability problem in Turkey and directly affect Mavi's supply chain and increase its costs and thus, reduce Mavi's competitiveness.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We are not able to provide a financial impact figure.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

Mavi entered its sustainability transformation with the launch its "All Blue" strategy. Our materiality assessment, which is being used as a guide to develop our sustainability strategy, revealed that raw materials are a very high priority topic. As Mavi, we are already attuned to and using sustainable fibers such as organic cotton and Tencel. We have also launched our most sustainable collection under "All Blue". Our aim is to implement a protocol to increase sustainable materials' shares within our product portfolio.

**Comment**

We are not able to provide a figure for cost of response to risk.

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Market	Changing customer behavior
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**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Competition within the apparel and lifestyle markets are getting more intense day by day. As Mavi we should address the rising awareness of climate-related issues by showing our customers we are committed to reduce ours and by extension, their environmental impact. Failing to take actions to combat climate change and failing to show our commitment to our customers could result in reduced demand for our products and decrease our revenues. To address the need for sustainable products, we have launched our most sustainable collection "All Blue" which includes products prepared with more efficient processes and manufactured with more sustainable materials.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

143150000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

It is of course very hard to estimate an accurate financial figure for the risk of losing revenues due to changing customer behaviours driven by increasing awareness on climate change. A 5% decrease of sales due to reduced demand means losing approximately 143 million TRY in revenues.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

Mavi entered its sustainability transformation with the launch its "All Blue" strategy. Our materiality assessment, which is being used as a guide to develop our sustainability strategy, revealed that brand reputation is a very high priority topic. As a leading global lifestyle brand our reputation has the utmost importance to us. We have launched our most sustainable collection under "All Blue" to show our commitment to fighting climate change.

**Comment**

We are not able to provide a figure for cost of response to risk.

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation	Carbon pricing mechanisms
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

In Turkey, there is a greenhouse gas monitoring regulation in place since 2014. However, Mavi does not participate in any business activity that is subject to this regulation. Emerging regulations related to climate change and their associated risks can directly affect our costs and the way we do business throughout the markets we operate. In the future, like many other countries, Turkey can introduce a tax on carbon emissions to fund the investments needed to combat climate change. As Mavi, we are taking steps to reduce our burden on the environment and increase our resilience to emerging regulations by incorporating sustainability practices throughout our business value chain.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

102952.5

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>



**Explanation of financial impact figure**

Most carbon tax policies are applied to energy and carbon intensive sectors and processes that rely on fossil fuels. Mavi's business does not require any energy or emissions intensive processes. To calculate an estimate for potential financial impact, 25 EUR per ton of carbon dioxide equivalent emissions can be assumed. Most of Turkey's recently introduced environmental legislations were in line with European Commissions' suggestions. 25 EUR per ton is a realistic price suited to the current emissions trading scheme environment. Only Scope 1, direct emissions were assumed to be taxed. (1 EUR = 6.36 TRY)

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

Mavi entered its sustainability transformation with the launch its "All Blue" strategy. We are taking measures to increase our awareness on the environmental impacts of our products. One such measure was the introduction of an internal continuous life cycle assessment procedure. Currently, jeans are the focus group of this procedure. The process began with assessing most used fabrics and bestseller products. Our aim is to have an environmental impact profile for all of our products. We also actively engage with our suppliers to reduce the impact of our products. For example, our strategic partner ERAK used 62% less water and 28% less energy compared to last year

**Comment**

We are not able to provide a figure for cost of response to risk.

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Shift in consumer preferences

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

Competition within the apparel and lifestyle markets are getting more intense day by day. As Mavi we should address the rising awareness of climate-related issues by showing our customers that we are committed to reduce ours and by extension, their environmental impact. Showing our commitment to our customers could result in increased sales. To address the need for sustainable products, we have launched our most sustainable collection "All Blue" which includes products prepared with more efficient processes and manufactured with more sustainable materials.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

286300000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

It is of course very hard to estimate an accurate financial figure for the opportunity of gaining revenues due to changing customer behaviours driven by increasing awareness on climate change. A 10% increase of sales due to increased demand means gaining approximately 286 million TRY in revenues.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

Mavi entered its sustainability transformation with the launch its "All Blue" strategy. Our materiality assessment, which is being used as a guide to develop our sustainability strategy, revealed that brand reputation is a very high priority topic. As a leading global lifestyle brand our reputation has the utmost importance to us. We have launched our most sustainable collection under "All Blue" to show our commitment to fighting climate change.

**Comment**

We cannot provide the cost to realize this opportunity.

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**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resilience

**Primary climate-related opportunity driver**

Participation in renewable energy programs and adoption of energy-efficiency measures

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

Mavi operates 314 retail stores in Turkey. Energy used within Mavi's stores creates a discernable cost and carbon emissions. With energy efficiency projects Mavi can reduce its operating costs associated with energy purchase and Mavi can decarbonize its energy supply with renewable energy transition projects. Energy efficiency applications and renewable energy power purchasing agreements are both environmental and economical opportunities for Mavi.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1899521

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

We have introduced smart monitoring systems in 10 of our stores and with it managed to reduce energy consumption by 8% on yearly average. If this project is extended to all of our stores, we expect to reduce our operating costs by 1.9 million TRY.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

Mavi's Visual Architectural Operations team has been researching opportunities to reduce our operating costs. With the help of an energy consultancy, they were able to reduce energy consumption in 10 example stores by installing smart monitoring systems. We are planning to expand this project through all of our stores. We are also systematically replacing lighting fixtures in our stores with LED fixtures which will also contribute to our energy efficiency efforts. The project is expected to be complete within the first quarter of 2021.

**Comment**

We cannot provide the cost to realize this opportunity.

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Reduced direct costs

**Company-specific description**

As Mavi, we are aware of the embodied carbon that our products are carrying. We are responsible with not only our direct operations but also the impact throughout our supply chain. As a brand we are taking steps to introduce lower emission products. We assess all components of our products and try to change and modify them so that they become more efficient and more environmentally friendly. We decided to reduce the amount of paper information cards that are used in our products from 2 to 1 for each product which results in reduction of our material need for paper labels. Since 2015 we've been phasing out all leather back labels from our jeans and replacing them with vegan alternatives.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

6663186

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Mavi apparel products (except accessories) were sold with 2 virgin paper regular sized information cards. By reducing the amount of information cards from 2 to 1, we have eliminated the use of 27.8 million information cards with a cost of 0.24 TRY each. Also, by reducing the amount and converting the remaining of the information cards to recycled paper ones we have also reduced the impact associated with our products.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

Mavi continuously assesses its products to enable more efficient and more environmentally friendly options that our customers embrace. As a love brand, we want our customers to feel proud of our products. We have reduced the amount of regular sized paper labels present in our products from 2 to 1 label per each product. We've also decided to phase out leather back labels on our jeans back in 2015. At the end of 2019, we've completely phased out of leather back labels and we are proud to say that all of Mavi's jeans are vegan. Now all of our back labels are either jacron or faux leather.

**Comment**

This opportunity did not require an additional investment. The value "0" is valid.

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### C3. Business Strategy

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#### C3.1

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**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes

#### C3.1a

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**(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

#### C3.1c

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**(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?**

Mavi began its sustainability transformation in 2019 with the launch of our global sustainability strategy "All blue". Our first greenhouse gas (GHG) inventory was prepared for 2019 and we are shaping our internal reporting and data procedures to facilitate future GHG inventory preparation cycles. Our plan is to update our GHG inventory annually. The inventory prepared for 2019 includes Scope 1, direct emissions from our controlled sources, Scope 2, our purchase of electricity and Scope 3, which includes all other relevant emissions. We have also established an internal continuous life cycle assessment (LCA) procedure to reveal the environmental impacts of our products. Currently, jeans are the focus group of this procedure. The process began with assessing most used fabrics and bestseller products. Our aim is to have an environmental impact profile for all of our products which will constitute the majority of our carbon footprint. We are planning to use climate-related scenario analysis to set up a science-based target for our activities.

#### C3.1d

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**(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Mavi entered its sustainability transformation with the launch its "All Blue" strategy. Our materiality assessment, which is being used as a guide to develop our sustainability strategy, revealed that brand reputation is a very high priority topic. As a leading global lifestyle brand our reputation has the utmost importance to us. As Mavi we should address the rising awareness of climate-related issues by showing our customers that we are committed to reduce ours and by extension, their environmental impact. To address the need for sustainable products, we have launched our most sustainable collection "All Blue" in 2019. The collection was initially offered to North America and Turkey markets with a focus on women's denim. As of 2020, it is offered in all the markets that we operate in. It includes products prepared with more efficient processes and manufactured with more sustainable materials. Our All Blue and Tencel collection, accounted for 4.69% of Mavi Turkey's and 21.6% of Mavi North America's 2019 revenues from women's denim bottoms, marking significant success soon after its launch. All Blue and sustainable Tencel collection has become the core product group for Mavi North America, driving both sales and increasing customer loyalty for the brand. On the other hand, our products with sustainable materials had a share of 1.94% in Mavi Turkey's 2019 revenue and 3.42% share in 2019 global revenue.
Supply chain and/or value chain	Yes	Responsible sourcing strategy plays a key role in combating issues such as declining natural resources, increasing environmental pollution and climate change. Mavi continues to introduce practices to monitor the social, environmental and economic performance of stakeholders in its value chain. These activities aim to spread Mavi's sustainability approach across all points in the value chain, from sourcing and logistics to sales points where products and services are delivered to the consumer and to create value by enhancing innovation and R&D works. The manufacturers are monitored for their social, economic and environmental performances, and they are expected to elevate their performance to higher levels through practices aimed at development areas. In addition to its own policies, Mavi assures world-class production by entering into detailed agreements with all its suppliers. At Mavi, almost all of the jeans and nearly 81% of the entire collection are sourced locally, contributing significantly to local socioeconomic development. The fact that production largely takes place in Turkey ensures physical proximity to manufacturers and brings with it a more efficient work environment. The on-site inspections that the proximity allows also enhance quality, speed and social compliance, enabling Mavi to promote sustainability across the entire value chain. Mavi runs projects and applications on efficient resource utilization, and particularly energy consumption. ERAK and TAYEKS, two major manufacturers that supply 79% of Mavi's denim, apply advanced methods for improved energy efficiency and reduced water consumption. In 2019, women's All Blue and men's Timeless collections were made by using efflow technology, which reduces water use in washing. Increasing the use of this technology is among Mavi's 2020 goals. ERAK, the strategic partner of Mavi in jean production, consumed 62% less water and 28% less energy year on year thanks to its upgraded machinery park, and used laser and sustainable washing processes in 52% of its denim production. ERAK also generates its own electricity at its plants. The heat, hot water and steam generated during production (especially in washing and drying machines) are reused within the plant, ensuring efficient energy use.
Investment in R&D	Yes	Turkey maintains an unrivalled position worldwide in terms of R&D investments, innovation and technology development in denim fabric and blue jeans manufacturing, providing Mavi with significant advantages to lead the industry. The brand combines its denim expertise with the product development team to manufacture jeans using 100% local knowhow, optimally leveraging the country's high-quality supply ecosystem. Mavi collaborates with denim fabric manufacturers for product developments and innovations. Its ability to develop innovation-based premium products in the denim sector is a major reason that elevates Mavi to the top segment of the international jeans market. Being a world leader in technological development and innovation in denim has made Mavi a force to contend with in setting quality and price. The Company's global All Blue strategy focused on sustainable growth is also the source of inspiration for All Blue, Mavi's most sustainable collection in 2019.
Operations	Yes	Mavi continually monitors opportunities to improve operations in terms of sustainability. Our most recent decision on this end was to introduce renewable energy purchasing agreements for our stores where we can choose our electricity provider. With these agreements 97 of our stores and our head office will operate on wind energy, starting in July 2020. We are also implementing energy efficiency projects like the installation of LED fixtures to replace conventional spot lightings and the installation of smart energy monitoring systems.

**C3.1e**

**(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs	We have decided install smart energy monitoring devices to all of our stores. This decision was driven by the fact that we can reduce our operating costs related to electricity by 8% which also reduces our emissions related to energy purchase. The project started in October 2019 and is expected to finish in the first quarter of 2021. After completion of this project, all of our stores' energy use will be monitored live and all unnecessary energy use will be eliminated.

**C3.1f**

**(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

No target

**C4.1c**

**(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.**

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	We have active projects that will contribute to reduce our emissions. One such project is the installation of smart energy monitoring devices in our stores. The project, which was tested in 10 of our stores reduced energy consumption by 8% on average. We are also replacing lighting fixtures in our stores with more energy efficient LED fixtures. Another current project of Mavi is implementing renewable energy purchasing protocols in place for the stores where we own the energy consumption meters and where we have the flexibility of choosing energy suppliers. Although it is hard to estimate, we expect at least 10% and at most 30% reduction in our Scope 2 emissions within the next 5 years. We have also established an internal continuous life cycle assessment procedure to reveal the environmental risks associated with our products. Currently, jeans are the focus group of this procedure. The process began with assessing most used fabrics and bestseller products. Our aim is to have an environmental impact profile for all of our products. With this procedure we will have adequate knowledge on our Scope 3 emissions and will implement measures to reduce the embodied carbon associated with Mavi's products.	Mavi entered its sustainability transformation with the launch its "All Blue" strategy. We prepared our first GHG inventory for the year 2019. We are in the process of defining our targets and preparing for emission reduction activities that will actualize them. We don't want to set unrealistic or underachieving targets for our emissions. We are in the process of understanding our emission sources and feasible possibilities to reduce them. Within the next two years, we are planning to implement a Science-based Target.

**C4.2**

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

No other climate-related targets

**C4.3**

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	
To be implemented*	1	5736
Implementation commenced*	1	1976.57
Implemented*	2	333.13
Not to be implemented	0	

**C4.3b**

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Non-energy industrial process emissions reductions	Process material substitution
--	-------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

125.37

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

505926

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

>30 years

**Comment**

Mavi implemented an internal procedure to eliminate the use of leather for the back labels used on jeans since 2015. The procedure yielded immediate return on investment as the replacement materials, jacron and faux leather are cheaper to procure and they cause lower emissions when compared to leather. At the end of 2019, we have completely eliminated the leather use on our jeans. Emission savings were calculated with a LCA study by comparing leather, faux leather and jacron. The amount of leather label replacement with jacron and faux leather from 2018 to 2019 was used to calculate emission reductions and savings. Mavi will continue its ban on leather back labels.

**Initiative category & Initiative type**

Waste reduction and material circularity	Product or service design
--	---------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

207.76

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

6663186

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

>30 years

**Comment**

Pricing information on Mavi's products were printed on 2 virgin material paper cards and additional information about the product was printed on a smaller virgin material paper card. We have decided to use only recycled paper for our cards and reduced the amount of regular sized cards from 2 to 1. This decision reduced the amount of material used and reduced the impact associated with product labelling immediately. Estimated annual CO2 savings only contain emission savings associated with reduced information card use. Savings arising from conversion to recycled paper is not included. Emission savings are calculated from LCA data. Production of 27.8 million cards, each costing 0.24 TRY were avoided.

**C4.3c**

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Employee engagement	
Financial optimization calculations	

**C4.5**

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

**C4.5a**

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Group of products

**Description of product/Group of products**

Mavi offers products prepared with more efficient processes and manufactured with more sustainable fibers. The fibers include recycled cotton, Tencel and organic cotton. Mavi's most sustainable collection All Blue contains products that are designed to address growing awareness on environmental impacts of textile products. These products have lower emissions compared to our conventional products.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (LCA Data)

**% revenue from low carbon product(s) in the reporting year**

3.42

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

Mavi is aiming to increase its use of sustainable, low-carbon fibers like recycled cotton, Tencel from Lenzing and organic cotton. Recycled cotton causes approximately 80% to 90% lower emissions compared to virgin cotton. (Source: "LCA on Recycling Cotton", Marcus Wendin, 2016). According to an LCA study for man made cellulose fibers, Tencel is almost carbon neutral. (Source: Life Cycle Assessment of man made cellulose fibers, Li Shen & Martin Kumar Patel, 2010). According to Textile Exchange's LCA study on organic cotton, organic cotton provides a potential global warming potential saving of 46% when compared to conventional cotton. (Source: "The Life Cycle Assessment of Organic Cotton Fiber - A Global Average", Textile Exchange, 2014). In 2019, sustainable products had a share of 3.42% in global revenues and 1.94% in Turkey revenues.

**C5. Emissions methodology**

**C5.1**

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

**Base year start**

February 1 2019

**Base year end**

January 31 2020

**Base year emissions (metric tons CO2e)**

647.5

**Comment**

**Scope 2 (location-based)**

**Base year start**

February 1 2019

**Base year end**

January 31 2020

**Base year emissions (metric tons CO2e)**

24812.45

**Comment**

**Scope 2 (market-based)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

## C5.2

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### (C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Voluntary 2017 Reporting Guidelines  
IPCC Guidelines for National Greenhouse Gas Inventories, 2006  
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)  
Other, please specify (Energy Policies of IEA Countries – Turkey 2016 Review)

## C5.2a

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### (C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The emission factor to calculate Scope 2 purchased electricity emissions were obtained from Energy Policies of IEA Countries – Turkey 2016 Review. The factor is 0.478 CO2 eq. / kWh

## C6. Emissions data

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### C6.1

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#### (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

##### Reporting year

##### Gross global Scope 1 emissions (metric tons CO2e)

647.5

##### Start date

<Not Applicable>

##### End date

<Not Applicable>

##### Comment

Includes natural gas use for heating and rental car fuel use for head office employees.

### C6.2

---

#### (C6.2) Describe your organization's approach to reporting Scope 2 emissions.

##### Row 1

##### Scope 2, location-based

We are reporting a Scope 2, location-based figure

##### Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

##### Comment

### C6.3

---

#### (C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

##### Reporting year

##### Scope 2, location-based

24812.45

##### Scope 2, market-based (if applicable)

<Not Applicable>

##### Start date

<Not Applicable>

##### End date

<Not Applicable>

##### Comment

Includes electricity use for stores and head office. The emission factor used for this calculation is based on IEA's Energy Policies of IEA Countries - Turkey. (Emission Factor: 0.478 kg CO2 eq. / kWh)



## C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

### C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

**Source**

Mavi operations in Europe, Canada, United States and Russia.

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

Only 24 of 338 Mavi operated retail stores are located outside of Turkey. Operations outside of Turkey are not included in this year's calculation. We plan to include them in next years.

## C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

72763.17

**Emissions calculation methodology**

The amount is only valid for jeans manufactured for sale in 2019. Emission factors derived from LCA results were used for the calculation. (1 jeans (men) = 11.08 CO2 eq. and 1 jeans (women) = 9.65 kg CO2 eq.) Other products are not included.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

Mavi has established an internal continuous life cycle assessment procedure to reveal the environmental risks associated with its products. Currently, jeans are the focus group of this procedure. The process began with assessing most used fabrics and bestseller products. Our aim is to have an environmental impact profile for all of our products. The emission factors are derived from our best seller jeans and multiplied by the total manufactured amount to calculate total emissions.

**Capital goods**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Mavi does not own any production or logistics facilities which constitutes capital. Thus, this category is negligible.

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

3597.81

### Emissions calculation methodology

14.5% of electricity generated in Turkey is lost during transmission and distribution. This value accounts for the loss of transmission and distribution of Mavi's electricity use. Value is obtained with multiplying 14.5% by Mavi's Scope 2 electricity related emissions.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

14.5% of electricity generated is assumed to be lost during transmission and distribution. This means that to supply Mavi's electricity consumption, 14.5% more than Mavi's consumption is actually generated within Turkish power plants. Percentage of losses during transmission and distribution are obtained from: Düzgün B., "An assessment of transmission and distribution grid efficiency in Turkey with projections to 2023" Politeknik Dergisi, Politeknik Dergisi, 21(3): 621-632, (2018).

## Upstream transportation and distribution

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

11.22

### Emissions calculation methodology

Calculated using DEFRA's Waste Disposal conversion factors for 2020. 1 ton of clothing combusted = 21.317 kg CO2 eq. 1 ton of cardboard recycled in closed loop = 21.317 kg CO2 eq.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Includes combustion of refused clothing products due to customer returns. Also includes recycling of cardboard boxes used during transportation.

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

333.44

### Emissions calculation methodology

Calculated using DEFRA's Business travel -air conversion factors for 2020. Short-Haul Economy Class = 0.15298 kg CO eq per km. Short-Haul Business Class = 0.22947 kg CO2 eq. for per km. Medium-Haul Economy Class = 0.14615 kg CO2 eq. per km. Medium-Haul Business Class = 0.42385 kg CO2 eq. per km. Long-Haul Economy Class = 0.1392452 kg CO2 eq. per km. Long Haul Business Class = 0.40379 kg CO2 eq. per km.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

This category includes air travel related emissions for 2019. Short, medium and long haul flights and business, economy classes were differentiated by using different conversion factors.

## Employee commuting

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

399.15

### Emissions calculation methodology

Calculated using DEFRA's local bus conversion factor for 2020. 1 person.km with local bus = 0.1195 kg CO2 eq.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Mavi head office employees have access to shuttle services. The amount of monthly shuttle service users are known and a daily distance of 25 km was assumed. This amount represents the climate change impact of shuttle service offered to Mavi head office employees.

#### Upstream leased assets

##### Evaluation status

Not relevant, explanation provided

##### Metric tonnes CO2e

<Not Applicable>

##### Emissions calculation methodology

<Not Applicable>

##### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

##### Please explain

Mavi does not own or control any upstream leased assets. Therefore, this category is not relevant to Mavi's impact.

#### Downstream transportation and distribution

##### Evaluation status

Not relevant, explanation provided

##### Metric tonnes CO2e

<Not Applicable>

##### Emissions calculation methodology

<Not Applicable>

##### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

##### Please explain

Mavi's stores are located in many different locations such as avenues, streets and shopping malls. It is difficult to obtain accurate data to calculate an adequate scenario for this category of impact.

#### Processing of sold products

##### Evaluation status

Not relevant, explanation provided

##### Metric tonnes CO2e

<Not Applicable>

##### Emissions calculation methodology

<Not Applicable>

##### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

##### Please explain

Mavi's products does not require any additional processing after purchase, therefore this category is not relevant to Mavi's impact.

#### Use of sold products

##### Evaluation status

Relevant, not yet calculated

##### Metric tonnes CO2e

<Not Applicable>

##### Emissions calculation methodology

<Not Applicable>

##### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

##### Please explain

#### End of life treatment of sold products

##### Evaluation status

Not relevant, explanation provided

##### Metric tonnes CO2e

<Not Applicable>

##### Emissions calculation methodology

<Not Applicable>

##### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

##### Please explain

It is difficult to obtain accurate data to calculate an adequate scenario for this category of impact.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Mavi does not own or control any downstream leased assets. Therefore this category is not relevant to Mavi's impact.

## Franchises

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

1850.3

### Emissions calculation methodology

The emission factor used for this calculation is based on IEA's Energy Policies of IEA Countries - Turkey. (Emission Factor: 0.478 kg CO2 eq. / kWh) The amount accounts for the emissions related to the electricity use of franchise stores in Turkey.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

There are 106 franchise stores of Mavi and 67 of these stores are located in Turkey. Franchises outside of Turkey are not included in this years calculation.

## Investments

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Impacts belonging to investments are not relevant to Mavi's business. Therefore, this category is not calculated.

## Other (upstream)

### Evaluation status

Not evaluated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

## Other (downstream)

### Evaluation status

Not evaluated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

## C6.7

### (C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

## C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

**Intensity figure**

0.0000108

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

25459.95

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

2365000000

**Scope 2 figure used**

Location-based

**% change from previous year**

**Direction of change**

<Not Applicable>

**Reason for change**

We are reporting emissions for the first time. Therefore, there is no change in emissions since we are not reporting past year data. Denominator represents revenue generated for Turkey.

## C7. Emissions breakdowns

### C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

### C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	638.85	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	0.1	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	8.56	IPCC Fifth Assessment Report (AR5 – 100 year)

### C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Turkey	647.5

### C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

### C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO2e)
Building heating	26.89
Fuel use by vehicles	620.61

**C7.5**

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Turkey	24812.45		51908.89	0

**C7.6**

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

**C7.6a**

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Stores	24611.36	
Head office	201.09	

**C7.9**

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

This is our first year of reporting, so we cannot compare to last year

**C8. Energy**

**C8.1**

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

**C8.2**

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

**C8.2a**

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	2770.32	2770.32
Consumption of purchased or acquired electricity	<Not Applicable>	0	51908.89	51908.89
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	54679.21	54679.21

**C8.2b**

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

**C8.2c**

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

149.93

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

2.02266

**Unit**

kg CO2e per m3

**Emissions factor source**

UK Government GHG Conversion Factors for Company Reporting (DEFRA)

**Comment**

Mavi only uses natural gas as fuel for heating. Factor to calculate emissions were acquired from DEFRA's 2020 GHG Conversion Factors for Company Reporting.

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**Fuels (excluding feedstocks)**

Diesel

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

2620.39

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

2.54603

**Unit**

kg CO2e per liter

**Emissions factor source**

UK Government GHG Conversion Factors for Company Reporting (DEFRA)

**Comment**

Rental car fuel use for head office employees.

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**C9. Additional metrics**

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**C9.1**

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**(C9.1) Provide any additional climate-related metrics relevant to your business.**



## C10. Verification

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### C10.1

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**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

### C10.2

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**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, but we are actively considering verifying within the next two years

## C11. Carbon pricing

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### C11.1

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**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

### C11.2

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**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

### C11.3

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**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

## C12. Engagement

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### C12.1

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**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

### C12.1a

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**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Information collection (understanding supplier behavior)

**Details of engagement**

Collect climate change and carbon information at least annually from suppliers

**% of suppliers by number**

0.83

**% total procurement spend (direct and indirect)**

**% of supplier-related Scope 3 emissions as reported in C6.5**

55.4

**Rationale for the coverage of your engagement**

Mavi has established an internal continuous life cycle assessment procedure to reveal the environmental risks associated with its products. Currently, jeans are the focus group of this procedure. The process began with assessing most used fabrics and bestseller products. Our aim is to have an environmental impact profile for all of our products. We are collecting inventory and process data from our suppliers to enable product level LCA studies. This years Scope 3 - Purchased Goods contains emissions emerging from products that are manufactured from our biggest supplier.

**Impact of engagement, including measures of success**

The established internal continuous life cycle assessment procedure requires a continuous engagement with our suppliers. Our suppliers gather necessary inventory data for our LCA studies. This enables us to have an in depth look at their production processes. We are planning to implement internal KPIs to monitor the environmental performance of our suppliers. We are planning to use the results of these studies to improve sustainability of our suppliers. As a measure of success we are planning to use number of suppliers that we have changed the behavior of and the amount of impact we have collectively reduced.

**Comment**

The results of life cycle assessment studies reveal climate related risks associated with raw materials, manufacturing, transport, packaging, use and end-of-life stages of our products. With the results, Mavi can choose to eliminate high impact materials, processes and manufacturers.

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**C12.1b**

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**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Education/information sharing

**Details of engagement**

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

**% of customers by number**

100

**% of customer - related Scope 3 emissions as reported in C6.5**

0

**Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

Mavi entered its sustainability transformation with the launch its "All Blue" strategy and along with it, released a new sustainable collection under the same name. The collection uses sustainable fibres such as organic cotton, recycled cotton and Tencel. The denim products within the collection were manufactured using more environmentally friendly processes that consume less energy and less water. The collection also uses jacron and faux leather for its back labels, which makes it all vegan. We have also released an organic cotton T-shirt series, addressing them as nature friendly.

**Impact of engagement, including measures of success**

Our All Blue and Tencel collection, accounted for 4.69% of Mavi Turkey's and 21.6% of Mavi North America's 2019 revenues from women's denim bottoms, marking significant success soon after its launch. All Blue and sustainable Tencel collection has become the core product group for Mavi North America, driving both sales and increasing customer loyalty for the brand. Our customers enjoyed the style and the environmental benefits provided by All Blue and Tencel. Our strategy was to introduce All Blue with comparable pricing to our other products. Sustainable denim should be the norm, not the premium exception.

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**C12.3**

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**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

No

**C12.3g**

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**(C12.3g) Why do you not engage with policy makers on climate-related issues?**

We are currently exploring engagement options with public policy authorities.

**C12.4**

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(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

**Publication**

In mainstream reports

**Status**

Underway – this is our first year

**Attach the document**

**Page/Section reference**

**Content elements**

Please select

**Comment**

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

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I have read and accept the applicable Terms